

Department of Revenue
Insurance Commissioner

Mission

Our mission is to promote a competitive and solvent insurance market, with adequate consumer protection, by fairly and consistently administering the insurance laws of West Virginia.

Operations

Executive

- Administer the operations of the agency.
- Establish the agency's legislative agenda.

Administration

- Prepare the annual agency budget for the commissioner.
- Provide payroll, purchasing, accounts payable, and personnel policy and guidance.
- Provide employees with training and information on equal employment opportunity, drug awareness, separation/retirement procedures, and travel regulations.
- Responsible for mailroom functions.

Agents Licensing and Education

- Issue licenses and subsequent renewals to all agents, adjusters, and insurance agencies.
- Issue clearance letters and certification letters for agents, adjusters, and insurance agencies.
- Approve appointments of insurance producers (agents) for insurance companies.
- Administer the prelicensing program.
- Administer the continuing education program.
- Collect licensure fees.

Consumer Service

- Handle consumer complaints.
- Provide counseling to consumers and other sectors of the public regarding insurance inquiries.
- Conduct information seminars to high school students and community groups throughout the state.

Financial Conditions

- License all insurance companies and other authorized entities.
- Register purchasing groups, risk retention groups, and surplus lines insurers.
- Monitor the financial stability and solvency of all admitted insuring entities.
- Conduct financial examinations.
- Collect premium taxes and licensure fees.
- Register third party administrators.
- License managing general agents.
- License reinsurance intermediaries.

Information Systems

- Provide data processing support to the agency.
- Serve as the focal point for hardware and software strategies.
- Address short-range and long-range planning of agency data processing needs.
- Act as agency liaison in data processing matters.

Legal

- Provide legal representation to agency in administrative and court proceedings.
- Give legal advice to the commissioner and agency staff.
- Conduct investigations on errant agents and companies.
- Assist in promulgation of administrative regulations and enactment of statutes.
- Coordinate receivership activities.

Insurance Commissioner

Office of Consumer Advocacy

- Review all hospital rate increase requests before the Health Care Authority or any court jurisdiction.
- Review all hospital certificate of need requests before the Health Care Authority or any court jurisdiction.
- Intervene at rate increase and certificate of need administrative hearings held before the Health Care Authority.
- Perform direct monitoring of health maintenance organizations (HMOs) to ensure compliance of quality assurance laws.
- Represent consumer interests in rate hearing and consumer complaint hearings before the insurance commissioner.
- Advocate on behalf of consumers in various forums.

Office of Inspector General—Fraud Unit/Prosecution Unit

- Educate the public about the definition and illegality of insurance fraud.
- Provide the public with a venue (tip line) to report instances of suspected insurance fraud.
- Investigate suspected or alleged instances of insurance fraud.
- Prosecute insurance fraud perpetrators.

Rates and Forms

- Review all insurance rates, rule, and form filings submitted by insurance companies licensed to do business in the state.
- Make approval/disapproval determinations on:
 - * Policy forms for insurance policies sold in the state
 - * Insurance rates used in the state
 - * Marketing materials used in soliciting insurance policies sold in the state
- Conduct surveys and gather statistical data on the companies' claims, loss, and rating histories.

West Virginia Health Insurance Plan (AccessWV)

- Provide health insurance for medically uninsurable individuals and their dependents.
- Provide health insurance for HIPAA eligible individuals and persons eligible for the health care tax credit.
- Define benefits to be offered.
- Promote plan to eligible persons.
- Establish and maintain protocols for plan operations.
- Issue policies of insurance.

Recommended Improvements

- ✓ Additional spending authority of \$9,448,980 to annualize Worker's Compensation functions.

Expenditures

	TOTAL FTE POSITIONS 11/30/2005	ACTUALS FY 2005	BUDGETED FY 2006	REQUESTED FY 2007	GOVERNOR'S RECOMMENDATION
EXPENDITURE BY PROGRAM					
Administration	7.00	\$330,186	\$396,560	\$383,993	
Agent Licensing and Education	5.00	171,452	191,069	199,151	
Consumer Advocacy	5.00	406,552	535,888	535,888	
Consumer Services	9.00	548,953	594,329	1,199,810	
Examination	8.00	632,527	1,205,659	1,205,659	
Executive	85.60	1,914,118	22,849,437	20,082,297	
Financial Conditions	13.00	476,442	621,542	2,005,873	
Fraud Unit	4.00	658,251	700,000	700,000	
Information Systems	5.00	262,491	353,533	296,841	
Legal	10.00	502,553	594,968	1,341,116	
Rates and Forms	8.00	353,681	400,695	519,171	
Workers' Compensation	0.00	0	544,000,000	752,750,000	
WV Health Insurance Plan	8.00	123,492	3,405,000	11,223,952	
Less: Reappropriated		0	(1,136,878)	0	
TOTAL BY PROGRAM	167.60	6,380,698	574,711,802	792,443,751	801,903,897
EXPENDITURE BY FUND					
General Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		0	0	0	0
Less: Reappropriated		0	0	0	0
Subtotal: General Fund		0	0	0	0
Federal Fund					
FTE Positions		0.00	0.00	0.00	0.00
Total Personal Services		0	0	0	0
Employee Benefits		0	0	0	0
Other Expenses		123,492	950,000	650,000	650,000
Subtotal: Federal Fund		123,492	950,000	650,000	650,000
Appropriated Special Fund					
FTE Positions		177.00	167.60	385.00	407.00
Total Personal Services		2,898,344	16,259,064	16,254,214	18,845,340
Employee Benefits		911,092	5,842,314	5,823,283	6,573,393
Other Expenses		2,447,770	550,342,302	759,142,302	765,261,212
Less: Reappropriated		0	(1,136,878)	0	0
Subtotal: Appropriated Special Fund		6,257,206	571,306,802	781,219,799	790,679,945
Nonappropriated Special Fund					
FTE Positions		0.00	0.00	4.00	0.00
Total Personal Services		0	210,000	210,000	210,000
Employee Benefits		0	69,300	69,300	69,300
Other Expenses		0	2,175,700	10,294,652	10,294,652
Subtotal: Nonappropriated Special Fund		0	2,455,000	10,573,952	10,573,952
TOTAL FTE POSITIONS BY FUND		177.00	167.60	389.00	407.00
TOTAL EXPENDITURES BY FUND		\$6,380,698	\$574,711,802	\$792,443,751	\$801,903,897

Programs

Executive Section

Mission

The Executive Section is responsible for administering the agency's operations to ensure that insurance regulatory services to consumers, companies, and its agents are performed at optimum levels of quality and efficiency.

Goals/Objectives

Promote economic growth.

- Implement legislative changes to workers' compensation law, opening the market to private workers' compensation insurance carriers.
- Increase the number of quality insurance companies offering products throughout the state.
- Ensure that national standards for uniform company and agent licensing procedures are adopted.

Improve customer communications.

- Provide necessary resources to make the agency's Internet home page more consumer friendly.
- Establish in-house seminars on a regular basis to educate staff on significant insurance issues.
- Enhance public awareness of regulatory services and compliance requirements.

Optimize productivity and efficiency of the agency.

- Reorganize informational systems in certain sections.
- Hire professional and technical staff to fill vacant positions.

Performance Measures

<u>Fiscal Year</u>	<u>Actual 2003</u>	<u>Actual 2004</u>	<u>Estimated 2005</u>	<u>Actual 2005</u>	<u>Estimated 2006</u>	<u>Estimated 2007</u>
Informational letters to consumer and/or licensed entities	6	2	5	6	8	8
Speaking engagements	31	28	25	20	25	25

Administration Section

Mission

The mission of the Administration Section is to maintain complete and accurate information regarding the budget, payroll, purchases, accounts payable, and inventory and to provide support services to ensure an effective working environment to all employees.

Goals/Objectives

- Maintain complete and accurate accounting records, and continue to improve methods and skills in financial reporting.
- Establish or change operations to achieve efficiencies and improve effectiveness.
- Update the policy manual by January 1, 2006.

Performance Measures

<u>Fiscal Year</u>	<u>Actual 2003</u>	<u>Actual 2004</u>	<u>Estimated 2005</u>	<u>Actual 2005</u>	<u>Estimated 2006</u>	<u>Estimated 2007</u>
Amounts processed and deposited (in millions)	\$142.40	\$146.37	\$153.00	\$158.31	\$157.00	\$163.00

Agent Licensing and Education Section

Mission

Agent Licensing and Education issues licenses to qualified insurance agents, adjusters, and agencies and determines that the licensees have met minimum competency and trustworthiness requirements prescribed by law.

Goals/Objectives

Licensing

- Propose National Association of Insurance Commissioners' (NAIC's) model legislation to the 2006 West Virginia Legislature to allow for fingerprinting of license applicants.
- Implement on-line renewal processes in March 2006 for 9,600 resident producers, 3,700 adjusters, and 3,200 insurance agencies.

Performance Measures

- ✓ Implemented on-line address change capability for individual producers and adjusters through the agency's Web site.
- ✓ Offered on-line renewal payment process to 33,000 individual nonresident producers through the NAIC's National Insurance Producer Registry during the 2005 renewal process. (Approximately one-third of the licensees utilized this process.)
- ✓ Reduced the compliance period from three years to the two year national average to satisfy the uniform standards established by the NAIC.

Fiscal Year	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
New licenses issued						
Resident agents	1,335	1,202	1,427	1,122	1,341	1,220
Nonresident agents	8,896	6,350	7,904	8,689	7,423	7,978
Resident adjusters	50	59	54	48	55	52
Nonresident adjusters	904	739	700	781	738	808
Resident surplus lines licensees*	1	7	3	4	4	4
Nonresident surplus lines licensees*	67	99	70	127	83	98
Agent appointments to insurance companies	47,782	45,745	42,924	49,080	44,150	47,536

* Licensed individuals eligible to write policies with unlicensed insurance companies.

Consumer Service Section

Mission

The Consumer Service Section is available to all West Virginia consumers, insurance companies, and their agents to assist them with any insurance questions they may have and to assist consumers with insurance related problems in an effort to provide the highest level of consumer awareness and protection.

Goals/Objectives

Expand insurance information guides.

- Prepare teenage drivers' guide by January 2006.
- Prepare HMO guide by April 2006.
- Prepare credit scoring guide by June 2006.

Insurance Commissioner Programs

Reduce economic losses to consumers.

Expand complaint tracking.

- Track complaints from third party complainants.
- Track complaints by county and by company.
- Track complaints on homeowner and automobile nonrenewals/cancellations.
- Identify specific lines of coverage with which consumers have problems.

Monitor impact of changes in the law.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Automobile policies—cancellations/nonrenewals rescinded	34	32	31	28	30	32
Homeowner policies—cancellations/nonrenewals rescinded	26	34	32	11	30	15
Money returned to consumers (in millions)	\$2.48	\$2.13	\$2.25	\$2.37	\$2.35	\$2.38

Financial Conditions Section

Mission

The Financial Conditions Section is primarily responsible for the licensing and the financial monitoring of insurance entities in West Virginia, so that the policyholders are secure in purchasing insurance products from solvent companies.

Goals/Objectives

Enable companies and brokers, by the year 2008, to electronically file premium tax returns and payment of fees and assessments.

Hire and train internal examiners by the year 2007 in order to lessen the dependency on contract examiners.

Monitor financial stability and solvency to protect policyholders.

- Perform timely financial analysis on domestic and targeted foreign companies.
- Perform three to four statutory financial examinations each year on domestic companies, and at least one financial examination on a foreign company each year, beginning before year 2008.
- Enforce the collection of the appropriate amount of premium taxes and fees from insurers and brokers.

Increase competition and availability of insurance to consumers.

- Complete reviews of insurance company's licenses, expansion applications, and corporate transactions within 60 days.
- Complete reviews of accredited reinsurers, risk retention groups, reinsurance intermediaries, third party administrators, risk purchasing group registrations, and managing general agency within 30 days.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Annual domestic analyses	20	24	24	24	25	25
Annual foreign analyses	100	20	100	100	100	100
Quarterly domestic analyses	60	72	72	72	75	75
Companies licensed	67	117	120	172	125	49
Service area expansions for HMOs approved	0	10	10	4	10	10

Information Systems Section

Mission

The Information Systems Section is responsible for the maintenance of the agency's data processing needs in support of the agency's business goals and objectives. This includes the writing and maintenance of software, installation, maintenance of hardware, systems analysis and design, end user training and instruction, and general troubleshooting in the systems and programs. Additional support is provided to other state entities in support of common systems and statewide initiatives.

Goals/Objectives

Provide storage and retrieval of agency data through the use of electronic data processing technologies.

- Maintain hardware and software environment to levels of current uses of technology and compatibility with the systems of other state agencies and others where a need exists for data exchange.
- Ensure data availability to all divisions within the agency with an emphasis on the collaborative nature of much of the data and ensuring that the needed sharing between divisions can be easily accomplished through the systems.
- Provide data as required to the NAIC in the format agreed to by all the state commissioners.

Create and maintain ever innovative ways to reduce manual efforts through the use of information technologies.

- Perform constant assessment of emerging technologies to leverage agency information collection and distribution for use within the agency and for the regulated entities (i.e., insurance agencies and insurance companies).
- Provide flexibility in systems design to ensure compliance with changing regulatory environment and state and federal statutes.
- Maintain systems' integrity with increased security procedures and software.

The technical system environments from the former West Virginia Workers' Compensation Commission and the Insurance Commission will be in place by January 1, 2008. (One of the systems is maintained under a service level agreement with BrickStreet Mutual.)

- Publish the system design document—July 1, 2006.
- Complete the preliminary coding—January 1, 2007.
- Complete the system test—March 1, 2007.
- Complete the user acceptance test—September 1, 2007.
- Migrate to the production environment—December 1, 2007.

Convert two different document imaging applications (and actual images) into one uniform imaging system by December 2007.

- Publish the system conversion document—July 1, 2006.
- Copy images to the new imaging storage solution—September 1, 2006.
- Complete the user acceptance test—November 1, 2006.
- Migrate to the production environment—December 1, 2006.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Problems and troubleshooting calls requiring assistance	2,790	2,500	2,000	2,700	4,000	4,500
New programs or modules written	40	45	50	40	200	100
New hardware installation (PCs and servers)	30	30	30	20	100	100

Legal Section

Mission

The Legal Section provides efficient and accurate legal services to the insurance commissioner and staff so that effective insurance regulation is maintained.

Goals/Objectives

Perform thorough and fair investigations of company and agent violations.

- Obtain additional investigative capabilities via computer link.
- Develop appropriate networking of investigators with other key industry and law enforcement personnel, as well as with the Insurance Commissioner's Fraud Unit.
- Audit company and agent behavior and compliance with statutes and rules through market analysis and market conduct examinations.
- Perform a minimum of four market conduct examinations on domestic companies through the end of 2006.
- Participate in the 2005 Market Conduct Annual Statement by assisting in collecting the 2005 data.

Continue superior legislative and rule-making support to commissioner and staff.

- Provide prompt and reliable research support through electronic research or other appropriate services.
- Train new employees on insurance laws.
- Draft bills and rules, and follow them through the legislative process.

Provide fair and prompt administrative proceedings.

- Dedicate attorney time to hearings relating to regulatory action against agents and companies.
- Provide mediation of consumer complaints when both parties request it.
- Ensure that penalties and other actions taken against companies and agents are consistent and fair.
- Continue to develop, as a short-term goal, a new administrative hearing process for third party complaints against property and casualty insurers.

Advise commissioner, staff, and others on legal issues relating to insurance.

- Provide up-to-date information on emerging insurance issues at both the state and federal level.
- Respond to legal questions from other staff members relating to activity in their sections.
- Respond to legal questions from members of the public or the Legislature relating to insurance issues.

Performance Measures

<u>Fiscal Year</u>	<u>Actual 2003</u>	<u>Actual 2004</u>	<u>Estimated 2005</u>	<u>Actual 2005</u>	<u>Estimated 2006</u>	<u>Estimated 2007</u>
Agent and company licenses suspended/revoked	13	*371	25	19	25	*100
Fines collected	\$166,132	\$86,271	\$85,000	\$173,310	\$85,000	\$125,000

*Includes agent licenses suspended for failure to complete continuing education requirements.

Office of Consumer Advocacy

Mission

The Office of Consumer Advocacy was created by the Legislature in 1991 and its functions were significantly increased in 2005. The Office continues to review hospital rate increase requests and certificate of need requests, and to oversee health maintenance organization compliance with quality assurance laws; however, the Office now is available to advocate for consumers, i.e. policyholders, first party claimants and third party claimants, and to intervene in the public interest in proceedings before the Health Care Authority, Insurance Commissioner, other agencies, and in federal and state courts.

Goals/Objectives

Establish the powers of the office.

- Promulgate legislative and procedural rules by March 2006 to implement the intent of the Legislature.
- Propose legislation to further clarify and delineate the function of the office by July 2006.
- Acquire and train additional staff by March 2006 to meet the needs of the office and consumers.

Increase the number of interventions to create a more affordable medical care services environment.

- Continue to monitor hospital rate increase requests and certificate of need requests.
- Become a designated affected party in all such requests by March 2006 in order to ensure that the office is apprised of any amendments or changes in requests and to ensure that the office is represented at all hearings before the Health Care Authority.
- Advocate for policyholders, first party claimants, and third party claimants in hearings before the Insurance Commissioner, other agencies, and state and federal courts.

Monitor Health Maintenance Organizations (HMOs) to ensure compliance with quality assurance laws.

- Perform direct monitoring of HMOs' quality assurance programs by conducting on-site visits.

Educate the insurance consuming public by September 2006 of the availability of the office to advocate for them at hearings on their complaints filed with the Insurance Commission.

- Prepare and distribute 10,000 educational brochures during FY 2006.
- Conduct ten public meetings during FY 2006 to educate consumers on their rights.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Amount reviewed for certificate of need (in millions)	\$800	\$276	\$500	\$251	\$500	\$500
Approved HMO quality assurance programs	3	3	3	3	3	3
Health Care Authority hearings	43	N/A	43	N/A	50	50
Policyholder and first party complaints received	N/A	N/A	N/A	N/A	300	300
Third party complaints received	N/A	N/A	N/A	N/A	170	200
Third party complaint hearings	N/A	N/A	N/A	N/A	100	120
Other hearings	N/A	N/A	N/A	N/A	30	30

Office of Inspector General*—Fraud Unit/ Prosecutions Unit

Mission

The Fraud Unit is responsible for facilitating a cooperative approach in the detection, investigation, and prosecution of insurance fraud; making the public aware of insurance fraud, and providing them with a venue for reporting instances of suspected insurance fraud and investigating persons suspected of engaging in insurance fraud.

The Prosecution Unit is responsible for the prosecution of cases involving insurance fraud or when appropriate, referring such cases to county prosecutors or federal authorities for prosecution.

Goals/Objectives

- Implement and maintain a toll free insurance fraud tip line.
- Conduct public awareness activities to define for the citizens of West Virginia what constitutes fraud.
- Work cooperatively with various law enforcement and prosecutorial entities to combat insurance fraud.

Insurance Commissioner Programs

- Develop and implement a case management data system.
- Investigate and refer for prosecution instances of suspected insurance fraud, when appropriate.
- Prosecute instances of insurance fraud.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Public appearances/speaking engagements	N/A	N/A	N/A	28	16	16
Calls to arson/insurance fraud hotline	N/A	N/A	N/A	1	10	10
Complaints received	N/A	1,441	N/A	1,397	1,450	1,500
Complaints without merit	N/A	262	N/A	1,121	1,175	1,225
Resolved through administration	N/A	N/A	N/A	168	200	250
Assigned to investigators	N/A	527	N/A	449	600	600
Investigations completed	N/A	417	N/A	370	450	450
Indictments	N/A	20	N/A	15	25	25
Convictions	N/A	14	N/A	8	15	35
Repayment agreements entered	N/A	N/A	N/A	19	25	30

*The West Virginia Insurance Commissioner's Fraud Unit (effective July 1, 2004) and the Worker's Compensation Commission's Office of Inspector General (effective October 1, 2003) were combined effective July 1, 2005.

Rates and Forms Section

Mission

The Rates and Forms Section is responsible for review and approval of all insurance policy forms, rules, and rates marketed in West Virginia by licensed insurers to ensure that benefits are adequate and rates are not excessive or unfairly discriminatory.

Goals/Objectives

Rate, Rule, and Form Filings

- Perform in-depth and thorough review of rate, rule, and form filings submitted by licensed insurance companies and rating organizations to ensure compliance with the Code of West Virginia, the Code of State Rules, and the common law of the state.
- Ensure that all rate, rule, and form filings are reviewed in compliance with the time frames set forth in the West Virginia Code.
 - * All personal lines rate, rule, and form filings are to be approved or disapproved within 60 days of receipt (unless the filing was incomplete when submitted).
 - * All commercial lines rate, rule, and form filings, with the exception of medical professional liability insurance rate filings, are to be reviewed for compliance within 30 days of receipt (unless the filing was incomplete when submitted).
- Track the status of developing trends, market activity, and business activity of insurance companies in the West Virginia market and, in particular, rate filing requests for personal lines of insurance and medical professional liability insurance.
- Foster a regulatory environment that encourages high quality insurance companies to do business in West Virginia, including implementing further speed-to-market initiatives from the NAIC.
- Provide preliminary and final review of the organizational and operational rate, rule, and form filings for BrickStreet Mutual.

Insurance Commissioner Programs

Legislative

- Track emerging national and state (West Virginia) specific insurance concepts and legal theories that may impact our insurance market.
- Assist the Legal Division by offering substantive feedback to legislative proposals.
- Review existing and proposed legislation relative to the formation of and ongoing operations of BrickStreet Mutual.

Statistical

- Compile data necessary for a thorough understanding of developing rate trends.
- Request documents relative to the alternative methods for nonrenewal for personal, private passenger automobile lines of insurance, and track compliance with the statutory restrictions.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Approved HMO filings	60	55	75	56	60	65
Approved accident and sickness filings*	1,299	1,394	1,375	1,490	1,400	1,550
Approved private passenger auto filings	247	182	275	335	250	350

* These statistics include the following criteria for accident and sickness:

- * Medicare supplement
- * Long-term care
- * Dental and vision
- * Individual accident and sickness
- * Group accident and sickness

West Virginia Health Insurance Plan (AccessWV)

Mission

The West Virginia Health Insurance Plan is a state, high-risk, health insurance pool designed to serve a small, but very important, segment of the individual insurance market—those few individuals who have a high risk health condition such as cancer, diabetes, heart disease, or other chronic illness that causes them to be turned down when they try to buy insurance. This program provides access to a comprehensive major medical plan to consumers that are falling through the cracks of the private market. The plan is operated as an acceptable alternative mechanism under HIPAA and as an option to provide health insurance coverage for individuals eligible for the federal health care tax credit.

Goals/Objectives

Grow plan enrollment to 700 members by the end of 2006.

- Develop and implement a program to publicize the existence of the plan.
- Update communication and member materials.

Develop an infrastructure to support program operations.

- Develop and maintain a staffing and subcommittee structure to support the program to carry out various program activities.
- Oversee performance of plan administrator.
- Establish procedures whereby grievances and appeals can be reviewed.
- Ensure compliance with state and federal requirements.

Insurance Commissioner Programs

Maintain financial viability.

- Modify rates, rate schedules and adjustments, expense allowances, and claim reserve formulas, as needed.
- Identify alternative funding sources.

Performance Measures

<u>Fiscal Year</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2004</u>	<u>Estimated</u> <u>2005</u>	<u>Actual</u> <u>2005</u>	<u>Estimated</u> <u>2006</u>	<u>Estimated</u> <u>2007</u>
Enrollment	N/A	N/A	N/A	N/A	500	873
Claims payout/premiums*	N/A	N/A	N/A	N/A	113%	130%

* First effective date of coverage was August 1, 2005.